

## Message Text

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ACTION FEAE-00

INFO OCT-01 AF-10 ISO-00 EB-11 DRC-01 RSC-01 /024 W

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R 131301Z JUN 74

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 4499

UNCLAS LAGOS 5265

E.O. 11652: N/A

TAGS: ENRG, ETRD, NI XL

SUBJ: LETTER FOR DIRECTOR FEDERAL ENERGY ADMINISTRATION

1. AMBASSADOR HAS BEEN ASKED TO FORWARD THE FOLLOWING LETTER TO MR. JOHN SAWHILL, DIRECTOR, FEDERAL ENERGY ADMINISTRATION.

LETTER IS SIGNED BY W. O. UWAMU, MARKETING MANGER, THE NIGERIAN NATIONAL OIT CORPORATION. TEXT OF THE LETTER, WHICH IS BEING SENT BY POUCH, IS REPRODUCED HERE VERBATIM OMITTING ONLY HEADING, SALUTATION, AND COMPLIMENTARY CLSOE. IN CASE MR. UWAMU HAS

DEIRECTED HIS INQUIRY TO THE WRONG OFFICE, EMBASSY REQUESTS THAT DEPARTMENT DETERMINE CORRECT ADDRESSEE, REDIRECT THE LETTER, AND SECURE AN EARLY REPLY.

2. QUOTE THE NIGERIAN NATIONAL OIL CORPORATION HAS BEEN HAVING DISCUSSIONS WITH SOME ORGAISATIONS ON THE POSSIBILITIES OF A JOINT VENTURE FOR THE BUILDING AND OPERATING OF A REFINERY AND A SHIPPING TERMINAL TO BE LOCATED IN A UNITED STATES CARRIBEAN ISLAND. STUDIES WHICH HAVE BEEN SUBMITTED ON THIS PROJECT HAVE BEEN DETAILED AND ADVANCED AND OUR TENTATIVE APPRAISAL OF THE PROJECT SHOWS THAT IT IS INTERESTING.

3. QUOTE HOWEVER, WE HAVE SIMILAR PROJECTS FOR EXPORT REFINERIES TO BE LOCATED IN NIGERIA WHOSE PRODUCTS WOULD BE EXPORTED TO THE UNITED STATE AND ELSEWHERE. OUR TENTATIVE EVALUATION OF THE TWO UNCLASSIFIED

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ALTERNATIVES FOR LOCATION INDICATE TO US THAT THE CURRENT LEVEL

OF TARIFF DIFFERENTIAL BETWEEN PETROLEUM PRODUCTS MANUFACTURED IN THE UNITED STATES OR US CARRIBEAN ISLANDS AND PRODUCTS IMPORTED INTO THE UNITED STATES IS A VERY IMPORTANT PERAMETER IN RELATIVE PROJECTS' VIABILITY.

4. QUOTE THUS WHILST AS AT TODAY'S DIFFERENTIAL TARIFF, A US LOCATED ERY WOULD BE INTERESTING, ANY SHORT OR MEDIUM TERM CHANGE IN US CURRENT POLICY OF ENCOURAGING THE BUILDING OF REFINERIES IN US TERRITORY VIA THE TARIFF DIFFERENTIAL COULD SHATTER THE ECONOMIC VIABILITY OF A PROJECT WHOSE ORIGINAL ATTRACTIVENESS WAS BASED MAINLY ON THE CONTINUANCE OF TODAY'S DIFFERENTIAL IN TARIFF.

5. QUOTE IN THE LIGHT OF THE FOREGOING, WE WOULD BE GRATEFUL FOR CONFIRMATION THAT THIS DIFFERENTIAL TARIFF WOULD BE MAINTAINED:  
(I) IN THE SHORT TERM (2-2 YEARS - THIS REQUIRES A FIRM CONFIRMATION)  
GKII) IN THE MEDIUM TERM (3-5 YEARS - SURE OR NOT SO SURE?),  
(III) IN THE LONG TERM (7-14 YEARS). UNQUOTE  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, PETROLEUM PRODUCTS, IMPORTS, EXPORTS, JOINT VENTURES, REFINERIES, CARGO TERMINALS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
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**Office:** ACTION FEAE  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Reference:** n/a  
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**Review Date:** 21 AUG 2002  
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**Subject:** LETTER FOR DIRECTOR FEDERAL ENERGY ADMINISTRATION  
**TAGS:** ENRG, ETRD, NI, XL, US, NATIONAL OIL CORPORATION, (SAWHILL, JOHN)  
**To:** STATE  
**Type:** TE  
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